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FM AMEMBASSY RIGA

TO RHMFISS/CDR USTRANSCOM SCOTT AFB IL IMMEDIATE

INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE PRIORITY

RUEHC/SECSTATE WASHDC PRIORITY 5777

RUEATRS/DEPT OF TREASURY WASHDC PRIORITY

C O N F I D E N T I A L RIGA 000220

SIPDIS

E.O. 12958: DECL: 04/19/2019

TAGS: PREL PGOV MOPS MARR AF LG

SUBJECT: SCENSETTER FOR USTRANSCOM COMMANDER GEN. MCNABB'S
VISIT TO RIGA

Classified By: Charge d' Affaires a.i. Bruce Rogers, for Reasons 1.4 (b)
) and (d)

¶11. (U) We look forward to welcoming you to Riga. Your visit provides an opportunity to further demonstrate our commitment to a strong security relationship with a reliable ally facing difficult times. We have put together a focused schedule that includes both senior political leadership as well as hands on opportunities to inspect Latvia's transportation infrastructure.

¶12. (U) Latvia is a friend and ally. Through multiple deployments in Iraq and, now, in Afghanistan, Latvia has demonstrated its commitment to our shared values and common security. Faced with a crippling economic crisis, Latvia has decided to withdraw from its other security missions (e.g. the Balkans) and focus solely on Afghanistan. Currently 165 Latvians are deployed in a Provincial Reconstruction Team in the north; as part of the EU police training mission; and in a joint US/Latvian unit with soldiers of the Michigan National Guard, training units of the Afghan National Army. Always a strong supporter of NATO's mission in Afghanistan, the Latvian government has been extremely supportive of the Northern Distribution Network. Latvian political leaders have pointed to this close cooperation with the United States as a tangible benefit of membership in the NATO alliance.

¶13. (U) Latvia is currently in the midst of a significant financial crisis. Its economy is expected to contract by 10-12% of GDP this year, inflation remains high, and unemployment is above 10% and climbing. Falling revenues and the need for a government take-over of the largest Latvian bank at the end of 2008 forced the Latvian government to turn to the IMF, EU and regional allies for financial assistance. Since then the government has trimmed almost a third off the federal budget and is contemplating additional cuts of up to 40% to government spending. Despite these hardships, the Latvian government has promised that they will not reduce their commitment to the mission in Afghanistan.

¶14. (C) In this light, the GOL has made it clear that it supports NDN for economic, political and security reasons. The announcement of the first train load of containers was front page news at a time when Latvians were eager for any positive news. The GOL is also greatly interested in exploring the potential for the local procurement of supplies in support of the ISAF mission. The Latvians are aware of Defense Logistics Agency (DLA) surveys in Central Asia and the Caucuses, and would welcome a similar mission here. Ideally, our Latvian hosts hope for an announcement by you of a DLA survey team coming to Riga in the not too distant future. While we have explained the differences between TRANSCOM and DLA's missions, you should expect that Latvian President Zatlers, as well as the Foreign and Defense Ministers, will raise this issue during your meetings. In anticipation, the government has met with representatives from industrial and business associations to collect information on Latvian companies that would be capable of

supplying the most common items needed in Afghanistan.
ROGERS